

KSEMA WEALTH PVT LIMITED

MARKET REVIEW & OUTLOOK - DECEMBER 2024

The year 2024 came to an end after witnessing high volatility during the month as FPIs vehemently sold bringing the net position in the year to negative. FII sold Rs.16,982 Cr worth of Indian stocks in December vis-à-vis DII purchase of Rs 34,194 crs. The slowing economic situation and moderating corporate profitability gives concern to the investors. The deferment of the tenders in the previous quarters is impacting the private capex that so far was giving hopes of revival. The MOPSI too during its latest release brought down the projections for Growth for FY 25 to 6.4%. This calls for a pro-growth budget 2025-26 that is to be announced in February.

Meanwhile the central bank during its MPC meeting decided to keep repo rates constant, but it reduced CRR by 50 bps to 4%. With the inflation projections for the forthcoming quarters being low near to the target, there is a high expectation of reductions of reference rates in the forthcoming meetings.

India Manufacturing PMI: In December, manufacturing activity in India registered its weakest growth of 2024, as the PMI fell to 56.4, down from 56.5. Despite numbers being down from 56.5 in November, it remained above its long-run average of 54.1, signalling a underlying strength. Both output and new orders, a key gauge for demand, continued to rise last month but the improvement slowed. The rise in input prices eased slightly, ending the year when Indian manufacturers felt the sharp cost pressures.

GST Collections: India's Goods and Services Tax (GST) collection grew 7.3% year-on-year (YoY) to Rs 1.77 lakh crore in December 2024.

Outlook: H2FY25 earnings will be in focus as most of the companies expect the growth to be better in H2. The rural economy is showing signs of recovery which is positive, and good monsoons followed by Rabi output should aid the recovery. Post the festive season, which was mixed, we are entering into a high growth phase as recent tenders will see ground and lift private consumption. The signals of two wheelers and mining activity shows better phase is ahead.

International Markets

The Fed lowered interest rates by 25 basis points and the interest rate range stands at 4.25% to 4.5%. This reflects the Fed's ongoing commitment to achieving its dual goals of maximum employment and price stability. The Fed now projects just two interest rate cuts for 2025 due to stubbornly high inflation. This disappointed the bond markets as the yield shot up and Dollar index too saw upward trend impacting the emerging market currencies including INR.

Among the emerging markets China saw good momentum as stimulus lifted sentiment amidst the scare of tariffs from new USA regime. The Caixin services purchasing managers' index (PMI) rose to 52.2 in December from 51.5 the previous month. The growth pace was the fastest since May 2024, driven by a surge in domestic demand however the services sector still shows stress.

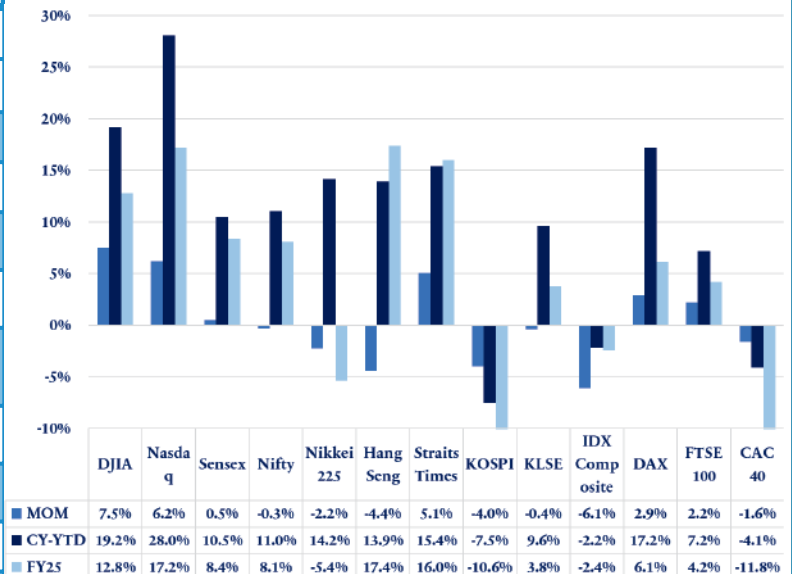
While Nasdaq (28%) reported the best performance among all major markets, Nikkie (19%), Dax (19%), Hang sang (18%) followed with double digit gains. Marred by political turmoil Korea was the worst performer with 10% fall.

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK

(For the period: Jan-2019 to Dec-2024—Post exp)

Since Jan 2019	ALPHA	MULTICAP	NIFTY50TRI
Average Monthly return	1.58%	1.81%	1.34%
Monthly maximum loss	-24.7%	-29.9%	-23.0%
Month of Maximum loss	Mar-20	Mar-20	Mar-20
Annualized Return	18.5%	21.1%	15.5%
Annualized Volatility	18.95%	21.4%	17.8%
% of winning months (against benchmark)	57.75%	59.2%	na
% of gained months	64.79%	66.2%	63.4%
YTD (Apr 2024-Dec 2024)	9.95%	9.1%	7.0%
Sharpe (RF 7%)	0.61	0.66	0.48
Alpha	3.99%	7.69%	na

INTERNATIONAL EQUITY MARKETS - DECEMBER 2024



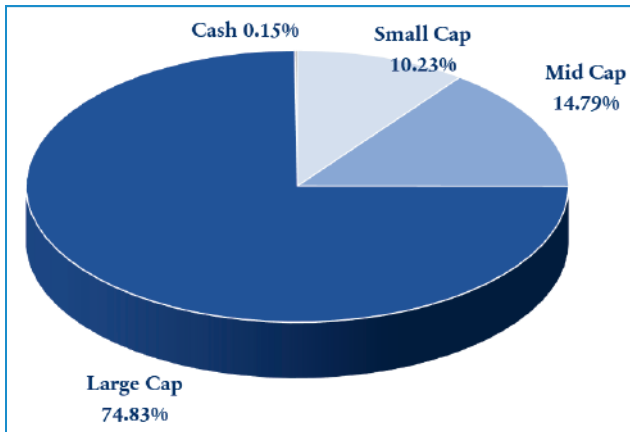
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KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES DECEMBER 2024

THEME

The fund seeks long-term capital appreciation by investing substantially in the equity securities of companies that are leaders in their industries / segment of industries, and which the managers believe are suitable for a buy-and-hold strategy.

MARKET CAP ALLOCATION (%)

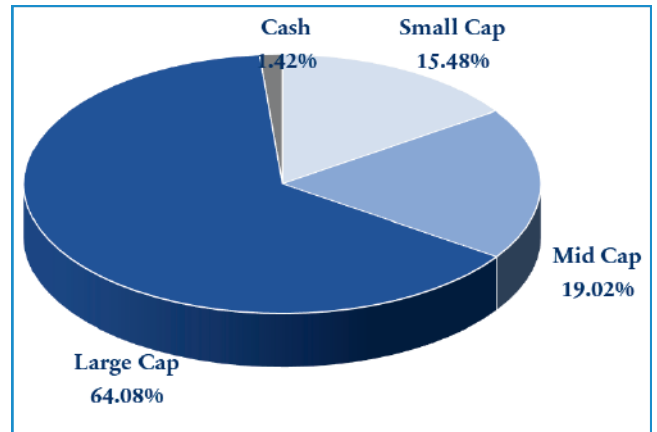


KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES DECEMBER 2024

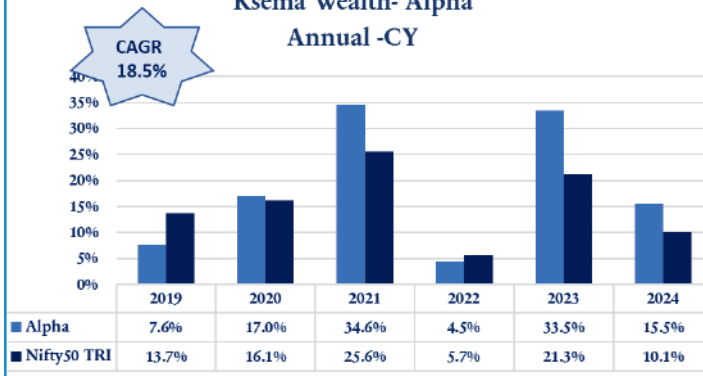
THEME

The fund seeks the superior returns over Long-term by investing in High Growth oriented stocks that are Sector agnostic

MARKET CAP ALLOCATION (%)

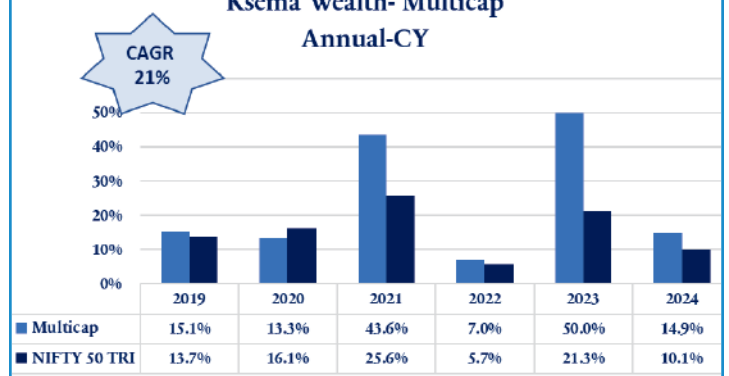


Ksema Wealth- Alpha Annual -CY



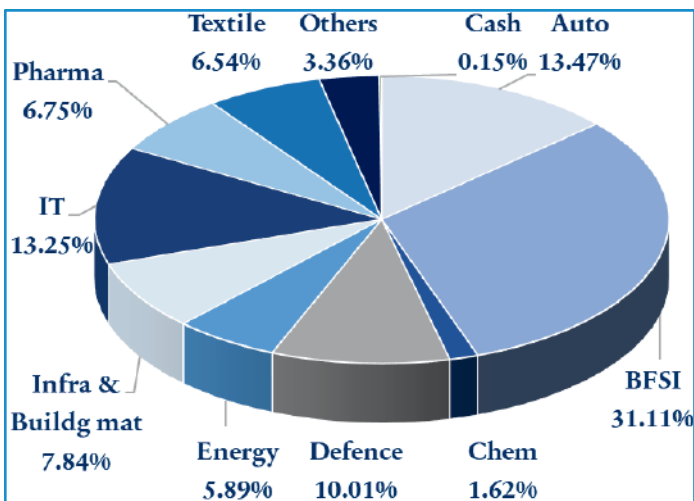
* Post expenses

Ksema Wealth- Multicap Annual -CY

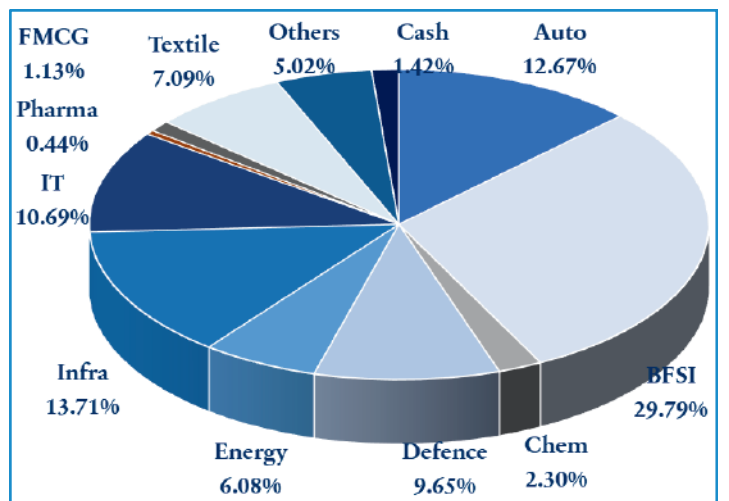


* Post expenses

SECTORAL ALLOCATION



SECTORAL ALLOCATION



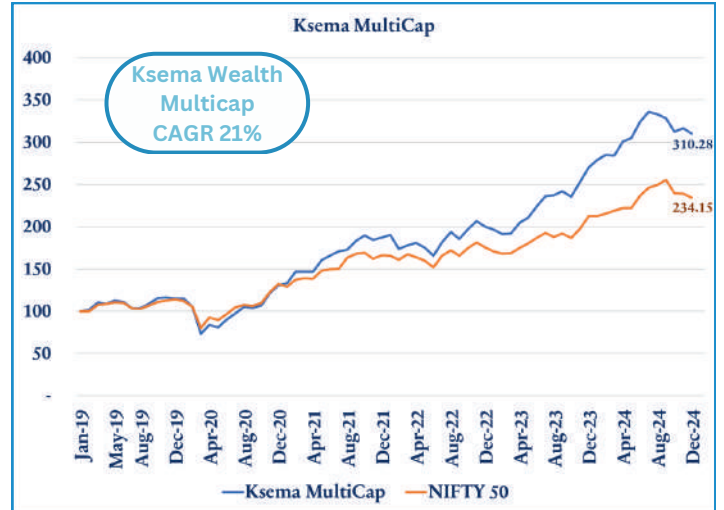
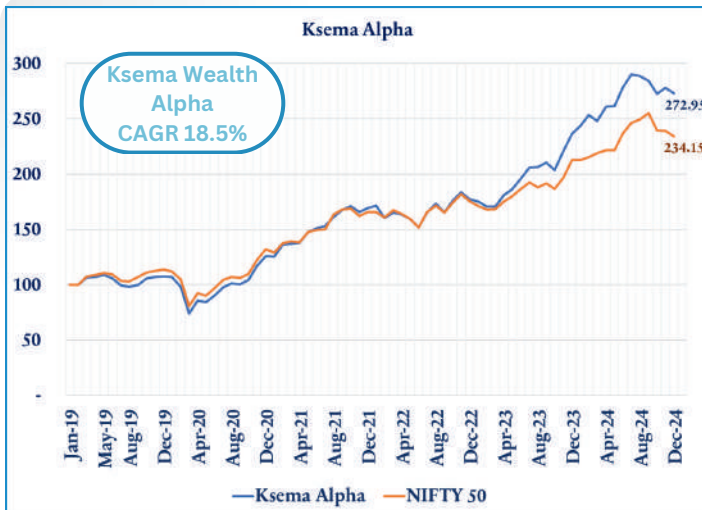
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ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.24%
State Bank Of India	5.99%
Mahindra & Mahindra Ltd	5.98%
Hindustan Aeronautics Ltd	5.86%
HDFC Bank Ltd	5.11%
Larsen & Toubro Ltd	5.03%
Infosys Ltd	4.98%
Reliance Industries Ltd	4.77%
Tata Consultancy Services Ltd	4.23%
Canara Bank	4.18%

MULTICAP TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.06%
HDFC Bank Ltd	5.14%
State Bank Of India	4.98%
Infosys Ltd	4.92%
Tata Consultancy Services Ltd	4.71%
Reliance Industries Ltd	4.61%
Larsen & Toubro Ltd	4.47%
Hindustan Aeronautics Ltd	4.12%
Canara Bank	3.98%
Bharat Electronics Ltd	3.41%



REVIEW & OUTLOOK

Alpha theme reported a 50% outperformance of the benchmark backed by the individual stock performance particularly in the large and mid-cap. The textile, banks and infra companies were the major contributors for the performance. Going forward while Q3 results will see moderately better results compared to Q2, the incremental capex play will be visible in Q4 thereby propping the sentiment. While the US regime change will keep us in tender hooks, the impact for Indian companies are likely to be relatively positive compared to other emerging markets.

REVIEW & OUTLOOK

In CY 2024, Multicap theme outperformed the benchmark by a wide on the back of stock picks in Mid & small caps. While defense stocks enabled outperformance in the first half the banks and textile companies excelled in the second half. Certain pharma and infra companies too provided Alpha. Going forward with the budget in the offing, the capex driven stories will still be in focus for growth. Metal and mining and NBFC sector are also interestingly poised for capturing the cycle growth.

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